GOVERNMENT OF MYSORE

[illegible] Bungalow,
Bangalore,
28th April 1939.

My dear Mr. Kantaraja Urs,

[illegible] my thanks for your letter of the 19th instant.

[illegible] write to inform you that the Financial Secretary met the Resident this morning and he spoke to the Resident [illegible], explaining all about the visit of the Financial Secretary and to say [illegible] in our opinion, [illegible] that he is now able to place our case before the Government of India. [illegible] previous occasion, [illegible] your file was sent [illegible] the time of our interview, [illegible] possible for us to place all the facts before [illegible] officers.

[illegible] would be in a position to decide as to the action to be taken. I have also received a telegram from Mr. Srinivasa Rao, a copy of which is herewith enclosed for your kind perusal. In this telegram, as you will see, Mr. Rao says that he will reply to the proposed draft file, as soon as he returns to Bangalore. The explanation that is sufficient evidence to justify our theory of recognition of the Conference as both parties to the agency arbitration, if possible. [illegible] please [illegible] as you may

have authorized the officers to place before Mr. Laird when he goes through the whole records. It is better that we should keep a consistent attitude to begin with, before showing our hand regarding compromise. I am sending a copy of that note for your kind perusal. To-morrow evening I shall again write to you giving full particulars of the discussions that take place during these two days and also the result of my interview with the Resident.

Sir Leslie Miller has written a note on the constitutional and legal aspects of the case on the file which was sent to him by the Chief Secretary under your orders. I have now suggested that the Government Advocate may also be consulted in regard to the constitutional aspects and I propose that the file be then sent to Mr. Harpur Srinivasarao who has provided me a note on that side of the case with reference to the nature of the agreement between Cochin and Ipsore regarding which, there is some doubt. Mr. Harpur Srinivasarao says that he will state the facts as they exactly are with reference to this agreement and will conclusively show that the Secretary of State is as much bound by it as he is by the treaty between the British Government and the Ipsore State. On receiving his note, I propose to revise the draft reply to the Secretary of

State's Despatch which may be considered at the next meeting of the Council whenever you may be pleased to fix it.

As regards the looking after my work during my absence from Bangalore, I would suggest that the Second and Third Members of Council may divide the work between themselves as follows:-

Public Works, Railways and Electrical. [illegible]

Education, Mining, Geology, Industries and Commerce..... [illegible].

The Minor and Miscellaneous subjects may be roughly divided between the two.

Yesterday I have submitted a Final Note regarding the Railway Administration and the Council Resolution thereon. I have since seen Mr. Rani, who appears to be disinclined to extend his contract on the terms suggested in the Council resolution and he requests that he may be given his present 5,, rupees over the British pay or at least 25 per cent on that pay which is permissible under the rules. I pointed out to him that when the Secretaryship is taken away, the appointment will not naturally be so onerous and we have also to see and decide later when we are in a position how long it will take for me to go on return.

Major Flowden's letter about Mr. Ward was written under a misapprehension. He probably was not aware of the fact that Mr. Orton had already sent you a copy of the telegram from the Political Secretary. It is possible that the Resident may feel a little bit hurt as that all these negotiations between myself and Miras and the Division Bench will not be known to Mr. Orton, except the position to this extent that Mr. Orton has arrived at the same opinion. Our Director of Mines and Mr. Richardson are to receive him at the station and they have been told not to say at our public officers. After meeting Mr. and Mrs. these officers as well as Mr. Orton, Mr. Richards came to take my instructions in the matter and I gave them the necessary instructions in regard to the position that the officers should take during the earlier stages of Mr. Orton's study of our case. Mr. Orton Richards has written a very objective note on the technical arguments put forward by the Secretary of State, which note, I

to the reduction of expenses in the higher grades of the railway establishments. Considering, however, that the Traffic Managership is now going to be attached to him also, perhaps we may agree to give him the present rate and thus leave him contented. We shall effect economy all the same by the abolition of two highly paid appointments. As regards Mr.Henry Taylor, he suggests a slight modification in the proposed arrangements, viz., that the extension should be for a period of five instead of three years, at the rate Rs.1,200 rising to Rs. 1,400 by annual increments of Rs.50. I have ventured to suggest in the end that this slight modification may be accepted.

A meeting between myself and Mr. Henry Taylor took place this morning at 12. Present the Financial Secretary as well as the Chief Secretary besides myself. Mr.Taylor on our side and I was faced with the three representatives of the Colar Gold Fields. We discussed 3 questions - the first was the payment of royalty in addition to the arrangements the Gold Fields have made for the sale of their output; the second was a revision of the terms stipulated in the Agreement for the payment of Power revenue; and the third was the question of course, is quite clear when it says that it will be paid to our London Bankers and fixes it at the rate of 11 pounds sterling. I have very strongly urged that that agreement contemplated a fixed rate of exchange which would give Rs.15 to the pound sterling and the mines are really paying now at a much lower rate than has been contracted for for the Power; the State is losing considerably and that this question requires re-examination. Mr.Henry Taylor appreciated the difficulties and said that he was not able to say anything as it involved a revision of the terms of the Agreement but promised that he would take it up with his Company on his return to London. I think we may ask for payment in India at a graduated scale if the exchange is not fixed by Statute; and should the exchange fixed by Statute be anything lower than Rs.15 to the pound, we should urge for the revision of the rate itself.

As regards the gold mining industry, Mr.Henry Taylor was agreeable to invite his Company to invest capital with a view to find any other gold mines in the State provided the Government State came in with an equal amount of capital say roughly 5 lakhs of rupees and in the

event of their doing so, the Company would agree to pay the [illegible] partners in the concern, the [illegible] more than it is duty bound to do. [illegible] their interest [illegible] or raise to shall or [illegible] of [illegible] the people. [illegible] the state has not [illegible], to invest capital themselves, they should be able to offer concessions to the company to induce them to risk their capital [illegible], or may not result in the [illegible] of a mine, the introduction of the nature of a monopoly concession for a [illegible] number of years in the exercise of a grant of this kind [illegible] or decrease of [illegible] royalty [illegible] the [illegible] [illegible] [illegible]

bulletin. The proceedings of the meeting will be submitted to you by the Financial Secretary for information. It was no easy matter to balance the Financial Settlement for the next three years having regard to the heavy ~~cuts~~ recurring deficits with which we are faced, but some adjustments had to be made with reference to the reserves and the revision of the standards of revenue but also to be allotted facilities allowing additional allowances to the several rural development groups. This, however, now appears in a more presentable light after these revisions of the rates have been effected by the meeting of the 7th May as briefly is their legislative recommendations regarding the grants of revenue and retrenchment of expenditure.

I hope you are keeping very well and find the letter in every pleasant and agreeable.

With kind regards,

Yours sincerely,

Ajeeb Churiwala
Financial Secretary,
Panaji, Goa.

Copy of the telegram received by the writer of Dorcil on 15th April 1963, from the Financial Secretary, Goa in answer.

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In view of your request for departure to Goa to discuss financial matter he could be glad if you could call yourself to the office to meet Financial Secretary and speak to him about his question regarding as if possible there should be any [illegible] in the [illegible] rates. [illegible] Secretary.

[illegible].